

**EXHIBIT A**

**TO**

**PLAINTIFF'S RESPONSE**

**TO DEFENDANT'S**

**MOTION TO DISMISS**

**SECOND AMENDED**

**COMPLAINT**

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

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CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Date of Report: February 25, 2008  
(Date of earliest event reported)

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**NORTHERN NEW ENGLAND SPINCO INC.**

*(Exact name of registrant as specified in its charter)*

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Delaware  
(State or other jurisdiction  
of incorporation)

000-52873  
(Commission File Number)

20-8210195  
(I.R.S Employer  
Identification No.)

One Verizon Way  
Basking Ridge, New Jersey  
(Address of principal executive offices)

07920  
(Zip Code)

**Registrant's telephone number, including area code: (212) 395-1000**

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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## **ITEM 1.01 — Entry into a Material Definitive Agreement**

### **Amendment to Merger Agreement**

On February 25, 2008, Northern New England Spinco Inc. (the “Company”), a subsidiary of Verizon Communications Inc. (“Verizon”), entered into Amendment No. 5 to Agreement and Plan of Merger (the “Merger Agreement Amendment”) with Verizon and FairPoint Communications, Inc. (“FairPoint”), which amends the Agreement and Plan of Merger, dated as of January 15, 2007, by and among the Company, Verizon and FairPoint, as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of April 20, 2007, Amendment No. 2 to Agreement and Plan of Merger, dated as of June 28, 2007, Amendment No. 3 to Agreement and Plan of Merger, dated as of July 3, 2007, and Amendment No. 4 to Agreement and Plan of Merger, dated as of November 16, 2007, in each case, by and among the Company, Verizon and FairPoint (the “Merger Agreement”).

Among other things, the Merger Agreement Amendment: (i) provides for certain amendments which are required to reflect Verizon’s election of the alternative structure for the transactions contemplated by the Distribution Agreement (as described below) and (ii) extends the date on which any party may terminate the Merger Agreement to March 31, 2008, which date can be extended, by the mutual agreement of Verizon and FairPoint, for a 30-day period expiring on April 30, 2008 in order to obtain outstanding regulatory consents, and if such consents are not obtained by April 30, 2008, by mutual agreement of Verizon and FairPoint, for a 31-day period expiring on May 31, 2008.

The foregoing description of the Merger Agreement Amendment is qualified in its entirety by reference to the Merger Agreement Amendment which is incorporated by reference as Exhibit 2.1.

### **Amendment to Distribution Agreement**

On February 25, 2008, the Company and Verizon entered into Amendment No. 4 to Distribution Agreement (the “Distribution Agreement Amendment”), which amends the Distribution Agreement, dated as of January 15, 2007, by and among the Company and Verizon, as amended by Amendment No. 1 to Distribution Agreement, dated as of March 30, 2007, Amendment No. 2 to Distribution Agreement, dated as of June 28, 2007, and Amendment No. 3 to Distribution Agreement, dated as of July 3, 2007, in each case, by and among the Company and Verizon (the “Distribution Agreement”), which provides, among other things, that Verizon will, pursuant to a series of restructuring transactions that will occur prior to the proposed merger, transfer or cause to be transferred by one or more of Verizon’s subsidiaries certain assets to the Company and one or more of the Company’s subsidiaries.

Among other things, the Distribution Agreement Amendment: (i) provides for certain amendments which are required to reflect the exercise by Verizon of its right under the Distribution Agreement to elect the alternative structure for the transactions contemplated by the Distribution Agreement and (ii) allocates to the Company the responsibility for certain costs associated with the information statement prepared by Verizon.

The foregoing description of the Distribution Agreement Amendment is qualified in its entirety by reference to the Distribution Agreement Amendment which is incorporated by reference as Exhibit 2.2.

## **Item 8.01 Other Events.**

On February 29, 2008, FairPoint filed a 424(b)(3) prospectus with respect to its registration statement on Form S-4 (File No. 333-141825) with the Securities and Exchange Commission, which included the information statement/prospectus of the Company and FairPoint.

The information statement/prospectus is filed as Exhibit 99.1 hereto.

## **ITEM 9.01 Financial Statements and Exhibits.**

### **(d) Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
2.1	Amendment No. 5 to Agreement and Plan of Merger, dated as of February 25, 2008, by and among FairPoint, Verizon and the Company.*
2.2	Amendment No. 4 to Distribution Agreement, dated as of February 25, 2008, by and between Verizon and the Company.*
99.1	Information statement/prospectus, dated February 28, 2008, of the Company and FairPoint.

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\*Incorporated by reference to the exhibit of the same number to the Current Report on Form 8-K of FairPoint, as filed with the Securities and Exchange Commission on February 27, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORTHERN NEW ENGLAND SPINCO INC.  
(Registrant)

By: /s/ J. Goodwin Bennett

Name: J. Goodwin Bennett

Title: Vice President

Date: February 29, 2008

EX-99.1 2 x409158kexv99w1.htm EX-99.1: INFORMATION STATEMENT/PROSPECTUS

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**Ivan Seidenberg**  
Chairman and Chief Executive Officer



**Verizon Communications Inc.** 140 West  
Street New York, New York 10007

February 28, 2008

To the Stockholders of Verizon Communications Inc.:

On January 16, 2007, we announced that Verizon Communications Inc., which we refer to as Verizon, would spin off shares of Northern New England Spinco Inc., a subsidiary of Verizon, which we refer to as Spinco, for the benefit of our stockholders.

Spinco will hold specified assets and liabilities that are used in Verizon's local exchange business and related landline activities in Maine, New Hampshire and Vermont if the transaction is consummated. Verizon will make an additional capital contribution to Spinco of approximately \$316 million, and Verizon and its subsidiaries will receive from Spinco \$1.7 billion in the form of cash and Spinco debt securities. Immediately following the spin-off, Spinco will merge with and into FairPoint Communications, Inc., which we refer to as FairPoint. As a result, Verizon stockholders will receive FairPoint common stock rather than shares of Spinco. After the merger, FairPoint will continue to be a separately traded public company and will then own and operate the combined businesses of Spinco and FairPoint.

We currently estimate that Verizon stockholders will receive one share of FairPoint common stock for each approximately 53 shares of Verizon common stock that they own on the record date for the spin-off. The actual number of shares will be determined based on the number of shares of Verizon common stock outstanding on the record date for the spin-off (subject to certain adjustments) and the number of shares of FairPoint common stock outstanding at the time of the merger.

If a Verizon stockholder does not own at least approximately 53 shares of Verizon common stock, or if the number of shares of FairPoint common stock that the Verizon stockholder is entitled to receive includes a fraction of a share of FairPoint common stock, that stockholder will receive cash representing the value of the fractional share of FairPoint common stock. While we expect that the receipt of FairPoint common stock in the merger will be tax-free to Verizon stockholders, they will be required to pay tax on any cash payment that they receive.

We estimate that when the merger is completed, Verizon stockholders will collectively own approximately 60% of the shares of FairPoint common stock on a fully diluted basis and FairPoint stockholders will collectively own approximately 40%.

**Holders of Verizon common stock will not be required to pay for any shares of FairPoint common stock they receive and will also retain all of their shares of Verizon common stock.**

Verizon's Board of Directors has determined that the spin-off of the local exchange business in Maine, New Hampshire and Vermont and the merger with FairPoint are advisable and in the best interests of Verizon and its stockholders. Verizon has approved this transaction as the current sole stockholder of Spinco, and Verizon stockholders are not required to vote on the spin-off or the merger.

The following document contains important information describing Spinco, the combined company and the terms of the spin-off and the merger, including the calculation of the number of shares of FairPoint common stock that Verizon stockholders will receive and the conditions to the spin-off and the merger. This document is also a prospectus relating to the FairPoint common stock that Verizon stockholders will receive in the merger. Please read it carefully.

We look forward to completing this transaction.

Sincerely,

*Warren Suedbury*

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the merger described in this information statement/prospectus or the FairPoint common stock to be issued pursuant to the merger agreement, or determined if this information statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

- The date of this information statement/prospectus is February 28, 2008.

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521 East Morehead Street  
Suite 250  
Charlotte, NC 28202

February 28, 2008

Dear Stockholder:

We want to take this opportunity to formally welcome you to the FairPoint Communications family. FairPoint's acquisition of Verizon Communications' landline and certain related operations in Maine, New Hampshire and Vermont has now received all of the necessary regulatory approvals from each of these three states and the Federal Communications Commission. To close the transactions, we need to complete customary closing procedures and the related financing transactions, which we expect to complete on March 31, 2008. As a new stockholder in our company, we currently estimate that you will receive one share of FairPoint common stock for each approximately 53 shares of Verizon common stock held as of the record date.

Following the closing of the transaction, we will continue focusing on the integration of our new systems and the cutover from the systems of Verizon. As we have done over 35 times in the past, we will integrate, expand and enhance the telecommunications services being offered to residents and businesses throughout the entire region where we will maintain a footprint.

In addition to establishing the right partnerships to ensure a calculated and smooth integration, we will rely on the support of the union-represented and management employees of Verizon in the region who will become part of the FairPoint team, as well as our dedicated, existing employees. We have also announced the creation of approximately 675 new FairPoint Communications jobs throughout northern New England.

Of particular importance to our stockholders is the financial discipline we will employ during the integration phase and beyond. We believe that these northern New England assets provide us with the foundation for future growth and consistent cash flows. We are committed to managing an appropriate and serviceable debt level, providing excellent customer service, managing the expense line, and enhancing our overall financial position so that it will provide opportunities for future growth.

We look forward to your long-term support of FairPoint and are always available to listen to any feedback you may wish to share.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Johnson".

Gene Johnson  
Chairman & CEO

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### **WHERE YOU CAN FIND ADDITIONAL INFORMATION**

Verizon stockholders who have questions regarding the spin-off, the merger or any other matter described in this information statement/prospectus should contact:

Investor Relations  
Verizon Communications Inc.  
One Verizon Way  
Basking Ridge, NJ 07920  
Tel: (212) 395-1525

Spinco has filed a registration statement on Form 10 with the Securities and Exchange Commission to register the class of common stock of Spinco that will be distributed to Verizon stockholders in the spin-off. This information statement/prospectus has been filed as an exhibit to a Current Report of Spinco on Form 8-K.

In addition, FairPoint has filed a registration statement on Form S-4 (File No. 333-141825) with the Securities and Exchange Commission of which this information statement/prospectus is a part.

This information statement/prospectus also incorporates important information about FairPoint Communications, Inc. that is not included in or delivered with this information statement/prospectus. This information is available without charge upon written or oral request. Recipients of this information statement/prospectus may obtain documents incorporated by reference in this information statement/prospectus by requesting them from FairPoint in writing, by telephone or by e-mail with the following contact information or through FairPoint's website at [www.fairpoint.com](http://www.fairpoint.com):

FairPoint Communications, Inc.  
521 East Morehead Street, Suite 250  
Charlotte, NC 28202  
Attn: Investor Relations  
Tel: (866) 377-3747  
Email: [investorrelations@fairpoint.com](mailto:investorrelations@fairpoint.com)

FairPoint makes available on its website at [www.fairpoint.com](http://www.fairpoint.com) its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to these reports as soon as reasonably practical after it files these materials with, or furnishes these materials to, the Securities and Exchange Commission. FairPoint's filings with the Securities and Exchange Commission are available to the public over the Internet at the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov), or at the Securities and Exchange Commission's public reference room located at 100 F Street, N.E., Washington, DC 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the operation of the public reference room.

Unless the context otherwise requires, references in this information statement/prospectus to FairPoint means FairPoint Communications, Inc. together with its subsidiaries.

**ALL INFORMATION CONTAINED IN THIS INFORMATION STATEMENT/PROSPECTUS WITH RESPECT TO VERIZON OR SPINCO AND THEIR SUBSIDIARIES HAS BEEN PROVIDED BY VERIZON. ALL OTHER INFORMATION CONTAINED IN THIS INFORMATION STATEMENT/PROSPECTUS, INCLUDING PRO FORMA INFORMATION, HAS BEEN PROVIDED BY FAIRPOINT.**

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### QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS

#### **Q: What are the transactions described in this information statement/prospectus?**

A: References to the transactions are to the spin-off and the merger and related actions or transactions to be entered into by Verizon Communications Inc., referred to as Verizon, Northern New England Spinco Inc., referred to as Spinco, and FairPoint Communications, Inc., referred to as FairPoint, including their respective affiliates, as described under “The Transactions” and elsewhere in this information statement/prospectus.

#### **Q: What will happen in the spin-off?**

A: First, pursuant to a distribution agreement, as amended, referred to as the distribution agreement, Verizon and its subsidiaries (other than Cellco Partnership doing business as Verizon Wireless, referred to as Cellco), collectively referred to as the Verizon Group, will contribute to Spinco and entities that will become Spinco’s subsidiaries (i) specified assets and liabilities associated with the local exchange business of Verizon New England Inc., referred to as Verizon New England, in Maine, New Hampshire and Vermont and (ii) the customers of the Verizon Group’s related long distance and Internet service provider businesses in those states. In exchange, the Verizon Group will receive additional shares of Spinco common stock and \$1.7 billion in the form of a special cash payment and senior unsecured debt securities of Spinco, referred to as the Spinco securities.

The Verizon Group will be permitted to exchange the Spinco securities for debt obligations of Verizon Group members or otherwise transfer them to stockholders or creditors of the Verizon Group. Spinco will not receive any cash proceeds from the Verizon Group in connection with the issuance of the Spinco securities, and the Verizon Group will be entitled to all proceeds from the sale or exchange of the Spinco securities. See “The Distribution Agreement — Preliminary Transactions.” The amount of the special cash payment will not exceed the Verizon Group’s estimate of the tax basis of the assets transferred to Spinco, which is anticipated to be less than \$1.7 billion. The amount of the Spinco securities will be equal to \$1.7 billion, less the amount of the special cash payment. FairPoint has entered into financing commitments which it may assign in whole or in part to Spinco in order for Spinco to borrow funds to make the special cash payment to the Verizon Group. See “Financing of the Combined Company.”

After the exchange and immediately prior to the merger, Verizon will spin off Spinco by distributing all of the shares of Spinco common stock to The Bank of New York, as distribution agent, to be held collectively for the benefit of Verizon stockholders. These shares will be immediately converted into that number of shares of common stock of FairPoint that Verizon stockholders will be entitled to receive in the merger. The distribution agent will then distribute shares of FairPoint common stock to Verizon stockholders on a pro rata basis.

To comply with conditions to the approval of the transactions imposed by state regulatory agencies, the Verizon Group will contribute at or prior to the spin-off approximately \$316 million in cash to the working capital of Spinco in addition to the amount specified in the distribution agreement as currently in effect. Additionally, Verizon will not receive a credit for the \$12 million that Verizon spends in expanding its DSL network in Maine, which the Verizon Group was entitled to receive as an offset to its capital contribution obligations under the distribution agreement as currently in effect. Of the approximately \$316 million, the Verizon Group may contribute \$25 million to the combined company on the second anniversary of the closing date or, at its option, pay to the combined company on the closing date the net present value of that amount, which is estimated to be approximately \$24 million. The aggregate additional capital contributions required to be made by the Verizon Group are referred to collectively as the required capital contribution. For purposes of this information statement/prospectus, it is assumed that the Verizon Group will make the required capital contribution in the approximate amount of \$316 million prior to the closing of the merger.

#### **Q: What will happen in the merger?**

A: In the merger, Spinco will merge with and into FairPoint in accordance with the terms of the merger agreement. FairPoint will survive the merger as a standalone company, also referred to as the combined company, holding and conducting the combined business operations of FairPoint and Spinco.



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### **SUMMARY**

*This summary highlights selected information from this information statement/prospectus and may not contain all of the information that is important to you. To understand the transactions fully and for a more complete description of the terms of the spin-off and the merger, please carefully read this entire information statement/prospectus and the other documents referred to in this information statement/prospectus. See also "Where You Can Find Additional Information."*

This information statement/prospectus is:

- an information statement of Spinco relating to the distribution in the spin-off of shares of its common stock to the distribution agent for the benefit of Verizon stockholders; and
- a prospectus of FairPoint relating to the issuance of shares of FairPoint common stock to Verizon stockholders in connection with the merger.

### **Approval of the Transactions**

On August 22, 2007, at FairPoint's annual meeting of stockholders, FairPoint's stockholders voted to adopt the Agreement and Plan of Merger, dated as of January 15, 2007, as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of April 20, 2007, Amendment No. 2 to Agreement and Plan of Merger, dated as of June 28, 2007, and Amendment No. 3 to Agreement and Plan of Merger, dated as of July 3, 2007, as since amended by Amendment No. 4 to Agreement and Plan of Merger, dated as of November 16, 2007 and Amendment No. 5 to Agreement and Plan of Merger, dated as of February 25, 2008 (as may be further amended from time to time), referred to as the merger agreement, and to approve the issuance of FairPoint common stock to Verizon stockholders pursuant to the merger agreement. No vote by Verizon stockholders is required or is being sought in connection with the spin-off or the merger. Verizon, as the sole stockholder of Spinco, has already approved the merger.

**The Companies** ("The Merger — The Companies" beginning on page 16)

#### ***FairPoint Communications, Inc.***

FairPoint is a leading provider of communications services in rural and small urban communities, offering an array of services, including local and long distance voice, data, Internet and broadband product offerings. FairPoint is one of the largest telephone companies in the United States focused on serving rural and small urban communities, and the 12th largest local telephone company in the United States, in each case based on number of access lines as of December 31, 2007. FairPoint operates in 18 states with 305,777 access line equivalents (including voice access lines and high speed data lines, which include digital subscriber lines, referred to as DSL, wireless broadband and cable modem) in service as of December 31, 2007. FairPoint believes that in many of its markets, it is the only service provider that offers customers an integrated package of local and long distance voice, high speed data, and Internet access as well as a variety of enhanced services such as voicemail and caller identification. FairPoint generated revenues of \$283 million and net income of \$6 million for the year ended December 31, 2007.

FairPoint was incorporated in February 1991 for the purpose of acquiring and operating incumbent telephone companies in rural and small urban markets. FairPoint has acquired 35 telephone companies, 30 of which it continues to own and operate. Many of FairPoint's telephone companies have served their respective communities for over 75 years. The majority of the communities FairPoint serves have fewer than 2,500 access lines. Most of FairPoint's telephone companies qualify as rural local exchange carriers under the Telecommunications Act of 1996, referred to as the 1996 Act.

#### ***Spinco***

The Verizon Group will contribute to Spinco and entities that will become Spinco's subsidiaries (i) specified assets and liabilities associated with the local exchange business of Verizon New England in Maine, New Hampshire and Vermont and (ii) the customers of the Verizon Group's related long distance and Internet service provider businesses in those states. This information statement/prospectus describes Spinco as if it had the assets, liabilities and customers that will be transferred to it prior to completion of the spin-off and the merger for all periods and dates presented.

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The Spinco business as historically operated by Verizon, referred to as the Northern New England business or Verizon's Maine, New Hampshire and Vermont Operations, had 1,600,971 access line equivalents (including voice access lines and high speed data lines, which include DSL and fiber-to-the-premises) in service as of December 31, 2007. The Northern New England business generated revenues of \$1,197 million and net income of \$33 million for the year ended December 31, 2007. Through its predecessors, Spinco has been serving customers in some or all of these three states for over 100 years.

### ***The Combined Company***

The combined company will be a leading provider of communications services in rural and small urban communities primarily located in northern New England, offering an array of services, including local and long distance voice, data, Internet and broadband product offerings, to both residential and business customers. The combined company will be the eighth largest telephone company in the United States based on the number of access lines on a pro forma basis as of December 31, 2007. The combined company will operate in 18 states with approximately 1.9 million access line equivalents (including voice access lines and high speed data lines, which include DSL, wireless broadband, cable modem and fiber-to-the-premises) on a pro forma basis as of December 31, 2007. FairPoint believes that in many of the combined company's markets, the combined company will be the only service provider that offers customers an integrated package of local and long distance voice, high speed data and Internet access as well as a variety of enhanced services such as voicemail and caller identification.

### ***The Spin-Off ("The Transactions — The Spin-Off" beginning on page 41)***

As part of the spin-off, the Verizon Group will engage in a series of preliminary restructuring transactions to effect the transfer of specified assets and liabilities of the local exchange business of Verizon New England in Maine, New Hampshire and Vermont and the customers of the Verizon Group's related long distance and Internet service provider businesses in those states to Spinco and entities that will become Spinco's subsidiaries. In connection with these preliminary restructuring transactions, and immediately prior to the effective time of the merger, the Verizon Group will contribute certain of those assets and all of the equity interests of those entities to Spinco, referred to as the contribution, in exchange for:

- the issuance of additional shares of Spinco common stock to be distributed in the spin-off, referred to as the distribution;
- a special cash payment to the Verizon Group in an amount not to exceed the Verizon Group's estimate of the tax basis of the assets transferred to Spinco (which Verizon anticipates will be less than \$1.7 billion); and
- the issuance by Spinco to the Verizon Group of the Spinco securities having a principal amount equal to \$1.7 billion less the amount of the special cash payment to the Verizon Group.

As a result of the transactions, the Verizon Group will receive \$1.7 billion of combined cash and principal amount of the Spinco securities. The Verizon Group will be permitted to use the special cash payment to repay debt, repurchase stock, or pay dividends, and will be permitted to exchange the Spinco securities for debt obligations of the Verizon Group or transfer the Spinco securities to stockholders or creditors of the Verizon Group. In addition to the contribution, the Verizon Group will contribute approximately \$316 million in cash to Spinco prior to the closing of the merger. For purposes of this information statement/prospectus, it is assumed that the Verizon Group will make the required capital contribution in the approximate amount of \$316 million prior to the closing of the merger.

After the contribution and immediately prior to the merger, Verizon will spin off Spinco by distributing all of the shares of Spinco common stock to The Bank of New York, as distribution agent, to be held collectively for the benefit of Verizon stockholders. The Spinco shares will be immediately converted into the number of shares of FairPoint common stock that Verizon stockholders will be entitled to receive in the merger. The distribution agent will then distribute

shares of FairPoint common stock and cash in lieu of fractional shares to Verizon stockholders on a pro rata basis.

**The Merger** (“The Transactions — The Merger” beginning on page 41)

In the merger, Spinco will merge with and into FairPoint in accordance with the terms of the merger agreement and, following completion of the merger, the separate existence of Spinco will cease. FairPoint